

U. S. Mr. Duff mg 21462 GEN

PRESIDENT'S MESSAGE.

*To the Senate and House of Representatives
of the Confederate States:*

The necessity for legislative action, arising out of the important events that have marked the interval since your adjournment, and my desire to have the aid of your counsel on other matters of grave public interest, render your presence at this time more than ordinarily welcome. Indeed but for serious obstacles to convoking you in extraordinary session, and the necessity for my own temporary absence from the seat of government, I would have invited you to an earlier meeting than that fixed at the date of your adjournment.

Grave reverses befell our arms soon after your departure from Richmond. Early in July our strongholds at Vicksburg and Port Hudson, together with their entire garrisons, capitulated to the combined land and naval forces of the enemy. The important interior position of Jackson next fell into their temporary possession. Our unsuccessful assault on the post at Helena, was followed at a later period by the invasion of Arkansas; and the retreat of our army from Little Rock gave to the enemy the control of the important valley in which it is situated.

The resolute spirit of the people soon rose superior to the temporary despondency naturally resulting from these reverses. The gallant troops, so ably commanded in the States beyond the Mississippi, inflicted repeated defeats on the invading armies in Louisiana and on the coast of Texas. Detachments of troops and active bodies of partizans kept up so effective a war on the Mississippi river as practically to destroy its value as an avenue of commerce.

The determined and successful defence of Charleston against the joint land and naval operations of the enemy afforded an inspiring example of our ability to repel the attacks even of the iron-clad fleet on which they chiefly rely; while on the northern frontier our success was still more marked.

The able commander, who conducted the campaign in Virginia, determined to meet the threatened advance on Richmond, for which the enemy had made long and costly preparations, by forcing their armies to cross the Potomac and fight in defence of their own capital and homes. Transferring the battle-field to their own soil he succeeded

in compelling their rapid retreat from Virginia, and in the hard fought battle of Gettysburg inflicted such severity of punishment as disabled them from early renewal of the campaign as originally projected. Unfortunately, the communications on which our general relied for receiving his supplies of munitions, were interrupted by extraordinary floods which so swelled the Potomac as to render impassable the fords by which his advance had been made, and he was thus forced to a withdrawal which was conducted with deliberation, after securing large trains of captured supplies, and with a constant but unaccepted tender of battle. On more than one occasion the enemy has since made demonstrations of a purpose to advance, invariably followed by a precipitate retreat to entrenched lines on the approach of our forces.

The effective check thus opposed to the advance of the invaders at all points, was such as to afford hope of their early expulsion from portions of the territory previously occupied by them, when the country was painfully surprised by the intelligence that the officer in command of Cumberland Gap, had surrendered that important and easily defensible pass without firing a shot, upon the summons of a force still believed to have been inadequate to its reduction, and when reinforcements were within supporting distance and had been ordered to his aid. The entire garrison, including the commander, being still held prisoners by the enemy, I am unable to suggest any explanation of this disaster, which laid open eastern Tennessee and southwestern Virginia to hostile operations, and broke the line of communication between the seat of government and middle Tennessee. This easy success of the enemy was followed by an advance of Gen'l Rosecranz into Georgia and our army evacuated Chattanooga and availed itself of the opportunity thus afforded of winning, on the field of Chickamauga, one of the most brilliant and decisive victories of the war. This signal defeat of General Rosecranz was followed by his retreat into Chattanooga, where his imperilled position had the immediate effect of relieving the pressure of the invasion at other points, forcing the concentration, for his relief, of large bodies of troops withdrawn from the armies in the Mississippi valley and in Northern Virginia. The combined forces thus accumulated against us in Tennessee, so greatly outnumbered our army as to encourage the enemy to attack. After a long and severe battle, in which great carnage was inflicted on him, some of our troops inexplicably abandoned positions of great strength, and by a disorderly retreat, compelled the commander to withdraw the forces elsewhere successful, and finally to retire with his whole army to a position some twenty or thirty miles to the rear. It is believed that if the troops who yielded to the assault, had fought with the valor which they had displayed on previous occasions, and which was manifested in this battle on the other parts of the line, the enemy would have been repulsed with very great slaughter, and our country would have escaped the misfortune, and the army the mortification of the first defeat that has resulted from misconduct by the troops. In the meantime, the army of General Burnside was driven from all its field positions in eastern Tennessee,

and forced to retreat into its entrenchments at Knoxville, where, for some weeks, it was threatened with capture by the forces under General Longstreet. No information has reached me of the final result of the operations of our commander, though intelligence has arrived of his withdrawal from that place.

While, therefore, our success in driving the enemy from our soil has not equalled the expectations confidently entertained at the commencement of the campaign, his further progress has been checked. If we are forced to regret losses in Tennessee and Arkansas, we are not without ground for congratulation on successes in Louisiana and Texas. On the sea coast he is exhausted by vain efforts to capture our ports, while on the northern frontier he has in turn felt the pressure and dreads the renewal of invasion. The indomitable courage and perseverance of the people in the defence of their homes have been nobly attested by the unanimity with which the Legislatures of Virginia, North Carolina and Georgia have recently given expression to the popular sentiment; and like manifestations may be anticipated from all the States. Whatever obstinacy may be displayed by the enemy in his desperate sacrifices of money, life and liberty in the hope of enslaving us, the experience of mankind has too conclusively shown the superior endurance of those who fight for home, liberty and independence to permit any doubt of the result.

FOREIGN RELATIONS.

I regret to inform you that there has been no improvement in the state of our relations with foreign countries since my message in January last. On the contrary, there has been a still greater divergence in the conduct of European nations from that practical impartiality which alone deserves the name of neutrality, and their action, in some cases, has assumed a character positively unfriendly.

You have heretofore been informed that, by common understanding, the initiative in all action touching the contest on this continent had been left by foreign powers to the two great maritime nations of western Europe, and that the governments of these two nations had agreed to take no measures without previous concert. The result of these arrangements has, therefore, placed it in the power of either France or England to obstruct at pleasure the recognition to which the Confederacy is justly entitled, or even to prolong the continuance of hostilities on this side of the Atlantic, if the policy of either could be promoted by the postponement of peace. Each, too, thus became possessed of great influence in so shaping the general exercise of neutral rights in Europe, as to render them subservient to the purpose of aiding one of the belligerents to the detriment of the other. I referred, at your last session, to some of the leading points in the course pursued by professed neutrals, which betrayed a partizan leaning to the side of our enemies, but events have since occurred which induce me to renew the subject in greater detail than was then deemed necessary. In calling to your attention the action of those

governments, I shall refer to the documents appended to President Lincoln's messages, and to their own correspondence, as disclosing the true nature of their policy, and the motives which guided it. To this course no exception can be taken, inasmuch as our attention has been invited to those sources of information by their official publication.

In May, 1861, the Government of Her Britannic Majesty informed our enemies that it had not "allowed any other than an intermediate position on the part of the southern States," and assured them "that the sympathies of this country (Great Britain) were rather with the North than with the South."

On the 1st day of June, 1861, the British Government interdicted the use of its ports "to armed ships and privateers, both of the United States and the so-called Confederate States," with their prizes. The Secretary of State of the United States fully appreciated the character and motive of this interdiction, when he observed to Lord Lyons, who communicated it, "that this measure, and that of the same character which had been adopted by France, would probably prove a death blow to southern privateering."

On the 12th June, 1861, the United States Minister in London informed Her Majesty's Secretary for Foreign Affairs that the fact of his having held interviews with the commissioners of this government had given "great dissatisfaction" and that a protraction of this relation would be viewed by the United States "as hostile in spirit, and to require some corresponding action accordingly." In response to this intimation Her Majesty's Secretary assured the minister that "he had no expectation of seeing them any more."

By proclamation, issued on the 19th and 27th April, 1861, President Lincoln proclaimed the blockade of the entire coast of the Confederacy, extending from the Potomac to the Rio Grande, embracing, according to the returns of the United States coast survey, a coast line of three thousand five hundred and forty-nine statute miles, on which the number of rivers, bays, harbors, inlets, sounds, and passes is one hundred and eighty-nine. The navy possessed by the United States for enforcing this blockade was stated in the reports communicated by President Lincoln to the Congress of the United States to consist of twenty-four vessels of all classes in commission, of which half were in distant seas. The absurdity of the pretension of such a blockade, in face of the authoritative declaration of the maritime rights of neutrals made at Paris, in 1856, was so glaring that the attempt was regarded as an experiment on the forbearance of neutral powers, which they would promptly resist. This conclusion was justified by the fact that the Governments of France and Great Britain determined that it was necessary for their interests to obtain from both belligerents "securities concerning the proper treatment of neutrals." In the instructions which "confided the negotiation on this matter" to the British Consul in Charleston, he was informed that "the most perfect accord on this question exists between Her Majesty's Government and the Government of the Emperor of the

French," and these instructions were accompanied by a copy of the despatch of the British Foreign office of the 18th May, 1861, stating that there was no difference of opinion between Great Britain and the United States as to the validity of the principles enunciated in the fourth article of the declaration of Paris in reference to blockades. Your predecessors of the Provisional Congress had therefore no difficulty in proclaiming, nor I in approving, the resolutions which abandoned in favor of Great Britain and France our right to capture enemy's property when covered by the flags of those powers. The "securities" desired by those governments were understood by us to be required from both belligerents. Neutrals were exposed on our part to the exercise of the belligerent right of capturing their vessels when conveying the property of our enemies. They were exposed, on the part of the United States, to interruption in their unquestioned right of trading with us by the declaration of the paper blockade above referred to. We had no reason to doubt the good faith of the proposal made to us, nor to suspect that we were to be the only parties bound by its acceptance. It is true that the instructions of the neutral powers informed their agents that it was "essential under present circumstances that they should act with great caution in order to avoid raising the question of the recognition of the new Confederation," and that the understanding on the subject did not assume for that reason the shape of a formal convention. But it was not deemed just by us to decline the arrangement on this ground, as little more than ninety days had then elapsed since the arrival of our commissioners in Europe, and neutral nations were fairly entitled to a reasonable delay in acting on a subject of so much importance, and which, from their point of view, presented difficulties that we, perhaps, did not fully appreciate. Certain it is that the action of this government on the occasion and its faithful performance of its own engagements have been such as to entitle it to expect on the part of those who sought in their own interests a mutual understanding; the most scrupulous adherence to their own promises. I feel constrained to inform you that in this expectation we have been disappointed, and that not only have the governments which entered into these arrangements yielded to the prohibition against commerce with us, which has been dictated by the United States in defiance of the law of nations, but that this concession of their neutral rights to our detriment has on more than one occasion been claimed in intercourse with our enemies, as an evidence of friendly feeling towards them. A few extracts from the correspondence of Her Majesty's Chief Secretary of State for Foreign Affairs will suffice to show marked encouragement to the United States to persevere in its paper blockade, and unmistakable intimations that Her Majesty's Government would not contest its validity.

On the 21st May, 1861, Earl Russell pointed out to the United States Minister in London, that "the blockade might no doubt be made effective, considering the small number of harbors on the southern coast, even though the extent of 3,000 miles were comprehended in terms of that blockade."

On the 14th January, 1862, Her Majesty's Minister in Washington, communicated to his government, that in extenuation of the barbarous attempt to destroy the port of Charleston by sinking a stone fleet in the harbor, Mr. Seward had explained "that the government of the United States had, last spring, with a navy very little prepared for so extensive an operation, undertaken to blockade upwards of 3,000 miles of coast. The Secretary of the Navy had reported that he could stop up the "large holes" by means of his ships, but that he could not stop up the "small ones." It had been found necessary, therefore, to close some of the numerous small inlets by sinking vessels in the channel."

On the 6th May, 1862, so far from claiming the right of British subjects as neutrals to trade with us as belligerents and to disregard the blockade on the ground of this explicit confession by our enemy of his inability to render it effective, Her Majesty's Secretary of State for Foreign Affairs, claimed credit with the United States for friendly action in respecting it. His Lordship stated that "the United States Government, on the allegation of a rebellion pervading from nine to eleven States of the Union, have now, for more than twelve months, endeavored to maintain a blockade of three thousand miles of coast. This blockade, kept up irregularly, but when enforced, enforced severely, has seriously injured the trade and manufactures of the United Kingdom. Thousands are now obliged to resort to the poor rates for subsistence owing to this blockade. Yet Her Majesty's Government have never sought to take advantage of the obvious imperfections of this blockade, in order to declare it ineffective. They have, to the loss and detriment of the British nation, scrupulously observed the duties of Great Britain towards a friendly State."

Again, on the 22d September, 1862, the same noble Earl asserted that the United States were "very far indeed" from being in "a condition to ask other nations to assume that every port of the coasts of the so-styled Confederate States is effectively blockaded."

When, in view of these facts; of the obligation of the British nation to adhere to the pledge made by their government at Paris, in 1856, and renewed to this Confederacy in 1861; and of these repeated and explicit avowals of the imperfection, irregularity and inefficiency of the pretended blockade of our coast, I directed our Commissioner at London, to call upon the British Government to redeem its promise and to withhold its moral aid and sanction from the flagrant violation of public law committed by our enemies, we were informed that Her Majesty's Government could not regard the blockade of the southern ports as having been otherwise than "practically effective," in February, 1862, and that "the manner in which it has since been enforced, gives to neutral governments no excuse for asserting that the blockade has not been efficiently maintained." We were further informed, when we insisted that by the terms of our agreement, no blockade was to be considered effective unless "sufficient really to prevent access to our coast," "that the declaration of Paris, was in truth, directed against blockades not sustained by any

actual force, or sustained by a notoriously inadequate force, such as the occasional appearance of a man-of-war in the offing, or the like."

It was impossible that this mode of construing an agreement, so as to make its terms mean almost the reverse of what they plainly conveyed, could be considered otherwise than as a notification of the refusal of the British Government to remain bound by its agreement, or longer to respect those articles of the declaration of Paris, which had been repeatedly denounced by British statesmen, and had been characterised by Earl Russell, as "very imprudent" and "most unsatisfactory."

If any doubt remained of the motives by which the British Ministry have been actuated in their conduct, it would be completely dissipated by the distinct avowals and explanations contained in the published speech recently made by Her Majesty's Secretary for Foreign Affairs. In commenting on the remonstrances of this government against the countenance given to an ineffective blockade, the following language is used: "It is said we have, contrary to the declarations of Paris, contrary to international law, permitted the blockade of 3,000 miles of American coast. It is quite true we did so, and the presumable cause of complaint is quite true, that although the blockade is kept up by a sufficient number of ships, yet these ships were sent into the United States navy in a hurry, and are ill-fitted for the purpose and did not keep up so completely and effectively as was required, an effective blockade."

This unequivocal confession of violation, both of agreement with us and of international law is defended on grounds, the validity of which we submit with confidence to the candid judgment of mankind.

These grounds are thus stated: "Still looking at the law of nations it was a blockade, we, as a great belligerent power in former times, should have acknowledged. We, ourselves, had a blockade of upwards of 2,000 miles, and it did seem to me that we were bound in justice to the Federal States of America to acknowledge that blockade. But there was another reason which weighed with me. Our people were suffering severely for the want of that material which was the main staff of their industry, and it was a question of self interest whether we should not break the blockade. But in my opinion the men of England would have been for ever infamous if, for the sake of their own interest, they had violated the law of nations and made war in conjunction with these slaveholding States of America against the Federal States."

In the second of these reasons our rights are not involved; although it may be permitted to observe that the conduct of governments has not heretofore to my knowledge been guided by the principle that it is infamous to assert their rights, whenever the invasion of those rights creates severe suffering among their people, and injuriously affects great interests. But the intimation that relations with these States would be discreditable because they are slaveholding, would probably have been omitted if the official personage who has published it to the world had remembered that these States were, when colo-

nies, made slaveholding by the direct exercise of the power of Great Britain, whose dependencies they were, and whose interests in the slave-trade were then supposed to require that her colonies should be made slave-holding.

But the other ground stated is of a very grave character. It asserts that a violation of the law of nations by Great Britain in 1807, when that government declared a paper blockade of 2,000 miles of coast, (a violation then defended by her courts and jurists on the sole ground that her action was retaliatory,) affords a justification for a similar outrage on neutral rights by the United States, in 1861, for which no palliation can be suggested; and that Great Britain "is bound, in justice to the Federal States," to make return for the war waged against her by the United States in resistance of her illegal blockade of 1807, by an acquiescence in the Federal illegal blockade of 1861. The most alarming feature in this statement is its admission of a just claim on the part of the United States to require of Great Britain, during this war, a disregard of the recognised principles of modern public law and of her own compacts, whenever any questionable conduct of Great Britain, "in former times," can be cited as a precedent. It is not inconsistent with respect and admiration for the great people whose government have given us this warning, to suggest that their history, like that of mankind in general, offers exceptional instances of indefensible conduct "in former times;" and we may well deny the morality of violating recent engagements through deference to the evil precedents of the past.

After defending, in the manner just stated, the course of the British Government on the subject of the blockade, Her Majesty's Foreign Secretary takes care to leave no doubt of the further purpose of the British government to prevent our purchase of vessels in Great Britain, while supplying our enemies with rifles and other munitions of war, and states the intention to apply to Parliament for the furtherance of this design. He gives to the United States the assurance that he will do in their favor not only "everything that the law of nations requires, everything that the present foreign enlistment act requires," but that he will ask the sanction of Parliament "to further measures that Her Majesty's ministers may still add." This language is so unmistakably an official exposition of the policy adopted by the British Government in relation to our affairs, that the duty imposed on me by the Constitution of giving you from time to time "information of the state of the Confederacy," would not have been performed if I had failed to place it distinctly before you.

I refer you for fuller details on this whole subject to the correspondence of the State Department which accompanies this message. The facts which I have briefly narrated are, I trust, sufficient to enable you to appreciate the true nature of the neutrality professed in this war. It is not in my power to apprise you to what extent the Government of France shares the views so unreservedly avowed by that of Great Britain, no published correspondence of the French Government on the subject having been received. No public protest nor opposi-

tion, however, has been made by His Imperial Majesty against the prohibition to trade with us, imposed on French citizens by the paper blockade of the United States, although I have reason to believe that an unsuccessful attempt was made on his part to secure the assent of the British Government to a course of action more consonant with the dictates of public law and with the demands of justice towards us.

The partiality of Her Majesty's Government in favor of our enemies has been further evinced in the marked difference of its conduct on the subject of the purchase of supplies by the two belligerents. This difference has been conspicuous since the very commencement of the war. As early as the 1st May, 1861, the British Minister in Washington, was informed by the Secretary of State of the United States that he had sent agents to England, and that others would go to France to purchase arms, and this fact was communicated to the British Foreign Office, which interposed no objection. Yet in October of the same year, Earl Russel entertained the complaint of the United States Minister in London, that the Confederate States were importing contraband of war from the island of Nassau, directed inquiry into the matter and obtained a report from the authorities of the island denying the allegations, which report was enclosed to Mr. Adams and received by him as satisfactory evidence to dissipate "the suspicion naturally thrown upon the authorities of Nassau by that unwarrantable act." So, too, when the Confederate Government purchased in Great Britain, as a neutral country, (and with strict observance both of the law of nations and the municipal law of Great Britain,) vessels which were subsequently armed and commissioned as vessels of war, after they had been far removed from English waters, the British Government, in violation of its own laws and in defiance to the importunate demands of the United States, made an ineffectual attempt to seize one vessel, and did actually seize and detain another which touched at the island of Nassau on her way to a Confederate port, and subjected her to an unfounded prosecution at the very time when cargoes of munitions of war were being openly shipped from British ports to New York, to be used in warfare against us. Even now the public journals bring intelligence that the British Government has ordered the seizure, in a British port, of two vessels, on the suspicion that they may have been sold to this Government, and that they may be hereafter armed and equipped in our service, while British subjects are engaged in Ireland by tens of thousands to proceed to the United States for warfare against the Confederacy, in defiance both of the law of nations and of the express terms of the British statutes, and are transported in British ships, without an effort at concealment, to the ports of the United States, there to be armed with rifles imported from Great Britain and to be employed against our people in a war for conquest. No royal prerogative is invoked; no executive interference is interposed against this flagrant breach of municipal and international law, on the part of our enemies, while strained constructions are placed on existing statutes, new enactments proposed, and questionable expedients devised for precluding the pos-

sibility of purchase, by this Government, of vessels that are useless for belligerent purposes, unless hereafter armed and equipped outside of the neutral jurisdiction of Great Britain.

For nearly three years, this government has exercised unquestioned jurisdiction over many millions of willing and united people. It has met and defeated vast armies of invaders, who have in vain sought its subversion. Supported by the confidence and affection of its citizens, the Confederacy has lacked no element which distinguishes an independent nation, according to the principles of public law. Its legislative, executive and judicial departments, each in its sphere, have performed their appropriate functions with a regularity as undisturbed as in a time of profound peace, and the whole energies of the people have been developed in the organization of vast armies, while their rights and liberties have rested secure under the protection of the courts of justice. This Confederacy is either independent, or it is a dependency of the United States, for no other earthly power claims the right to govern it. Without one historic fact on which the pretension can rest, without one line or word of treaty or covenant, which can give color to title, the United States have asserted and the British Government has chosen to concede that these sovereign States are dependencies of the government which is administered at Washington. Great Britain has accordingly entertained with that government, the closest and most intimate relations, while refusing on its demand, ordinary amicable intercourse with us, and has, under arrangements made with the other nations of Europe, not only denied our just claim of admission into the family of nations, but interposed a passive, though effectual bar, to the acknowledgement of our rights by other powers. So soon as it had become apparent, by the declarations of the British Ministers, in the debates of the British Parliament in July last, that Her Majesty's Government was determined to persist indefinitely in a course of policy which, under professions of neutrality, had become subservient to the designs of our enemy, I felt it my duty to recall the Commissioner formerly accredited to that court, and the correspondence on the subject is submitted to you.

It is due to you and to our country that this full statement should be made of the just grounds which exist for dissatisfaction with the conduct of the British Government. I am well aware that we are unfortunately without adequate remedy for the injustice under which we have suffered at the hands of a powerful nation, at a juncture when our entire resources are absorbed in the defence of our lives, liberties and independence, against an enemy possessed of greatly superior numbers and material resources. Claiming no favor, desiring no aid, conscious of our own ability to defend our own rights, against the utmost efforts of an infuriate foe, we had thought it not extravagant to expect that assistance would be withheld from our enemies, and that the conduct of foreign nations would be marked by a genuine impartiality between the belligerents. It was not supposed that a professed neutrality would be so conducted as to justify the

Foreign Secretary of the British nation, in explaining, in correspondence with our enemies, how "the impartial observance of neutral obligations by Her Majesty's Government has thus been exceedingly advantageous to the cause of the more powerful of the two contending parties." The British Government may deem this war a favorable occasion for establishing, by the temporary sacrifice of their neutral rights, a precedent which shall justify the future exercise of those extreme belligerent pretensions that their naval power renders so formidable. The opportunity for obtaining the tacit assent of European Governments to a line of conduct which ignores the obligations of the declaration of Paris, and treats that instrument rather as a theoretical exposition of principles than a binding agreement, may be considered by the British Ministry as justifying them in seeking a great advantage for their own country at the expense of ours. But we cannot permit, without protest, the assertion that international law or morals regard as "impartial neutrality" conduct avowed to be "exceedingly advantageous" to one of the belligerents.

I have stated that we are without adequate remedy against the injustice under which we suffer. There are but two measures that seem applicable to the present condition of our relations with neutral powers. One is, to imitate the wrong of which we complain, to retaliate by the declaration of a paper blockade of the coast of the United States, and to capture all neutral vessels trading with their ports that our cruisers can intercept on the high seas. This measure I cannot recommend. It is true that, in so doing, we should but follow the precedents set by Great Britain and France in the Berlin and Milan decrees, and the British orders in council at the beginning of the present century. But it must be remembered that we, ourselves, protested against those very measures as signal violations of the law of nations, and declared the attempts to excuse them, on the ground of their being retaliatory, utterly insufficient. Those blockades are now quoted by writers on public law as a standing reproach on the good name of the nations who were betrayed by temporary exasperation into wrong doing, and ought to be regarded rather as errors to be avoided, than as examples to be followed.

The other measure is not open to this objection. The second article of the declaration of Paris which provides "that the neutral flag covers enemy's goods, with the exception of contraband of war" was a new concession by belligerents in favor of neutrals, and not simply the enunciation of an acknowledged pre-existing rule like the fourth article which referred to blockades. To this concession we bound ourselves by the convention with Great Britain and France, which took the shape of the resolutions adopted by your predecessors on the 13th August, 1861. The consideration tendered us for that concession has been withheld. We have, therefore, the undeniable right to refuse longer to remain bound by a compact which the other party refuses to fulfill. But we should not forget that war is but temporary and that we desire that peace shall be permanent. The future policy of the Confederacy must ever be to uphold neutral rights to their full

extent. The principles of the declaration of Paris commend themselves to our judgment as more just, more humane, and more consonant with modern civilization than those belligerent pretensions which great naval powers have heretofore sought to introduce into the maritime code. To forego our undeniable right to the exercise of those pretensions is a policy higher, worthier of us and of our cause than to revoke our adhesion to principles that we approve. Let our hope for redress rest rather on a returning sense of justice which cannot fail to awaken a great people to the consciousness, that the war in which we are engaged ought rather to be made a reason for forbearance of advantage, than an occasion for the unfriendly conduct of which we make just complaint.

The events of the last year have produced important changes in the condition of our southern neighbor. The occupation of the capital of Mexico by the French army, and the establishment of a provisional government, followed by a radical change in the constitution of the country, have excited lively interest. Although preferring our own government and institutions to those of other countries, we can have no disposition to contest the exercise by them of the same right of self-government which we assert for ourselves. If the Mexican people prefer a monarchy to a republic, it is our plain duty cheerfully to acquiesce in their decision, and to evince a sincere and friendly interest in their prosperity. If, however, the Mexicans prefer maintaining their former institutions we have no reason to apprehend any obstacle to the free exercise of their choice. The Emperor of the French has solemnly disclaimed any purpose to impose on Mexico a form of government not acceptable to the nation; and the eminent personage to whom the throne has been tendered, declines its acceptance, unless the offer be sanctioned by the suffrages of the people. In either event, therefore, we may confidently expect the continuance of those peaceful relations which have been maintained on the frontier, and even a large development of the commerce already existing to the mutual advantage of the two countries.

It has been found necessary since your adjournment to take action on the subject of certain foreign consuls within the Confederacy. The nature of this action and the reasons on which it was based are so fully exhibited in the correspondence of the State Department which is transmitted to you, that no additional comment is required.

In connection with this subject of our relations with foreign countries, it is deemed opportune to communicate my views in reference to the treaties made by the government of the United States at a date anterior to our separation, and which were consequently binding on us as well as on foreign powers when the separation took effect. It was partly with a view to entering into such arrangements as the change in our government had made necessary that we felt it our duty to send commissioners abroad, for the purpose of entering into the negotiations proper to fix the relative rights and obligations of the parties to those treaties. As this tender on our part has been declined; as foreign nations have refused us the benefit

of the treaties to which we were parties, they certainly have ceased to be binding on us, and in my opinion, our relations with European nations are, therefore, now controlled exclusively by the general rules of the law of nations. It is proper to add that these remarks are intended to apply solely to treaty obligations towards foreign governments, and have no reference to rights of individuals.

FINANCES.

The state of the public finances is such as to demand your earliest and most earnest attention. I need hardly say that a prompt and efficacious remedy for the present condition of the currency is necessary to the successful performance of the functions of government. Fortunately, the resources of our country are so ample, and the spirit of our people so devoted to its cause that they are ready to make any necessary contribution. Relief is thus entirely within our reach if we have the wisdom to legislate in such manner as to render available the means at our disposal.

At the commencement of the war we were far from anticipating the magnitude and duration of the struggle in which we were engaged. The most sagacious foresight could not have predicted that the passions of the northern people would lead them blindly to the sacrifice of life, treasure and liberty in so vain a hope as that of subjugating thirteen independent States inhabited by many millions of people whose birthright of freedom is dearer to them than life. A long exemption from direct taxation by the general government had created an aversion to its raising revenue by any other means than by duties on imports, and it was supposed that these duties would be ample for current peace expenditure, while the means for conducting the war could be raised almost exclusively by the use of the public credit.

The first action of the provisional Congress was therefore confined to passing a tariff law and to raising a sum of fifteen millions of dollars by loan, with a pledge of a small export duty on cotton to provide for the redemption of the debt.

At its second session war was declared to exist between the Confederacy and the United States, and provision was made for the issue of twenty millions of dollars in treasury notes, and for borrowing thirty millions of dollars on bonds. The tariff was revised, and preparatory measures taken to enable the Congress to levy internal taxation at its succeeding session. These laws were passed in May, and the States of Virginia, North Carolina, Tennessee, and Arkansas having joined the Confederacy, the Congress adjourned to meet in the city of Richmond in the following month of July.

Prior to the assembling of your predecessors in Richmond at their third session near the end of July, 1861, the President of the United States had developed in his message the purpose "to make the contest a short and a decisive one," and had called on Congress for 400,000 men and four hundred millions of dollars. The Congress had exceeded the Executive recommendation and had authorized the levy of half a

million of volunteers, besides largely increasing the regular land and naval forces of the United States. The necessity thus first became urgent that a financial scheme should be devised on a basis sufficiently large for the vast proportions of the contest with which we were threatened. Knowing that the struggle, instead of being "short and decisive" would be indefinite in duration, and could only end when the United States should awaken from their delusion of conquest, a permanent system was required, fully adapted to the great exigencies before us.

The plan devised by Congress at that time was based on the theory of issuing treasury notes convertible at the pleasure of the holder into eight per cent. bonds, the interest of which was to be payable in coin, and it was correctly assumed that any tendency to depreciation that might arise from over issue of the currency would be checked by the constant exercise of the holder's right to fund the notes at a liberal interest payable in specie. This system depended for success on the continued ability of government to pay the interest in specie, and means were, therefore, provided for that purpose in the law authorizing the issues. An internal tax termed a war tax was levied, the proceeds of which, together with the revenue from imports were deemed sufficient for the object designed. This scheme required for its operation that our commerce with foreign nations should not be suspended. It was not to be anticipated that such suspension would be permitted otherwise than by an effective blockade; and it was absurd to suppose that a blockade "sufficient really to prevent access" to our entire coast could be maintained.

We had the means, therefore, (if neutral nations had not combined to aid our enemies by the sanction of an illegal prohibition on their commerce,) to secure the receipt into the Treasury of coin sufficient to pay the interest on the bonds, and thus maintain the treasury notes at rates nearly equal to par in specie. So long as the interest continued to be thus paid with the reserve of coin pre-existing in our country, experience sustained the expectations of those who devised the system. Thus, on the first of the following December, coin had only reached a premium of about twenty per cent. although it had already become apparent that the commerce of the country was threatened with permanent suspension by reason of the conduct of neutral nations, and that the necessary result must be the exhaustion of our specie reserve. Wheat, in the beginning of the year 1862, was selling at one dollar and thirty cents per bushel, not exceeding, therefore, its average price in time of peace. The other agricultural products of the country were at similar moderate rates, thus indicating that there was no excess of circulation, and that the rate of premium on specie was heightened by the exceptional causes which tended to its exhaustion without the possibility of renewing the supply.

This review of the policy of your predecessors is given in justice to them, and it exhibits the condition of the finances at the date when the permanent government was organized.

In the meantime the popular aversion to internal taxation by the

general government had influenced the legislation of the several States, and in only three of them, South Carolina, Mississippi and Texas, were the taxes actually collected from the people. The quotas devolving upon the remaining States had been raised by the issue of bonds and State treasury notes, and the public debt of the country was thus actually increased instead of being diminished by the taxation imposed by Congress.

Neither at the first nor second session of the present Congress were means provided by taxation for maintaining the government, the legislation being confined to authorising further sales of bonds and issues of treasury notes. Although repeated efforts were made to frame a proper system of taxation, you were confronted with an obstacle which did not exist for your predecessors, and which created grave embarrassment in devising any scheme of taxation. About two-thirds of the entire taxable property of the Confederate States consist of lands and slaves. The general power of taxation vested in Congress by the provisional Constitution, (which was to be only temporary in its operation,) was not restricted by any other condition than that "all duties, imposts and excises should be uniform throughout the States of the Confederacy." But the permanent Constitution sanctioning the principle that taxation and representation ought to rest on the same basis, specially provides that "representatives and direct taxes shall be apportioned among the several States according to their respective numbers which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three fifths of all slaves."

It was further ordered that a census should be made within three years after the first meeting of the Congress, and that "no capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken."

It is plain that under these provisions, capitation and direct taxes must be levied in proportion to the census when made. It is also plain that the duty is imposed on Congress to provide for making a census prior to the 22d February, 1865. It may further be stated that, according to the received construction of the Constitution of the United States, (a construction acquiesced in for upwards of sixty years,) taxes on lands and slaves are direct taxes, and the conclusion seems necessarily to be that, in repeating, without modification, in our Constitution, this language of the Constitution of 1787, our convention intended to attach to it the meaning which had been sanctioned by long and uninterrupted acquiescence.

So long as there seemed to be a probability of being able to carry out these provisions of the Constitution in their entirety, and in conformity with the intentions of its authors, there was an obvious difficulty in framing any system of taxation. A law which should exempt from the burthen two-thirds of the property of the country, would be as unfair to the owners of the remaining third, as it would be inadequate to meet the requirements of the public service.

The urgency of the need was such, however, that, after very great

embarrassment, and more than three months of assiduous labor, you succeeded in framing the law of the 24th-April, 1863, by which you sought to reach so far as was practicable, every resource of the country except the capital invested in real estate and slaves, and by means of an income tax and a tax in kind on the produce of the soil, as well as by licenses on business occupations and professions, to command resources sufficient for the wants of the country. But a very large proportion of these resources could only be made available at the close of the present and the commencement of the ensuing year, while the intervening exigencies permitted no delay. In this state of affairs, superinduced almost unavoidably by the fortunes of the war in which we are engaged, the issues of treasury notes have been increased until the currency in circulation amounts to more than six hundred millions of dollars, or more than three-fold the amount required by the business of the country.

I need not enlarge upon the evil effects of this condition of things. They are unfortunately but too apparent. In addition to the difficulty presented to the necessary operations of the government, and the efficient conduct of the war, the most deplorable of all its results is undoubtedly its corrupting influence on the morals of the people. The possession of large amounts of treasury notes has naturally led to a desire for investment, and with a constantly increasing volume of currency, there has been an equally constant increase of price in all objects of investment. This effect has stimulated purchase by the apparent certainty of profit, and a spirit of speculation has thus been fostered, which has so debasing an influence, and such ruinous consequences, that it is our highest duty to remove the cause, and no measures directed to that end, can be too prompt, or too stringent.

Reverting to the Constitutional provisions already cited, the question recurs whether it be possible to execute the duty of apportioning taxation in accordance with the census ordered to be made as a basis. So long as this appeared to be practicable, none can deny the propriety of your course in abstaining from the imposition of direct taxes till you could exercise the power in the precise mode pointed out by the terms of the fundamental law. But it is obvious that there are many duties imposed by the Constitution, which depend for their fulfilment on the undisturbed possession of the territory within which they are to be performed. The same instrument which orders a census to be made in all the States, imposes the duty on the Confederacy "to guarantee to every State a republican form of government." It enjoins on us "to protect each State from invasion," and while declaring that its great objects and purposes are "to establish justice, ensure domestic tranquility and secure the blessings of liberty to ourselves and our posterity," it confers the means and thereby imposes on us the paramount duty of effecting its intent, by "laying and collecting taxes, duties, imposts and excises, necessary to pay the debts, provide for the common defence, and carry on the government of the Confederate States."

None would pretend that the Constitution is violated because, by

reason of the presence of hostile armies, we are unable to guarantee a republican form of government to those States or portions of States now temporarily held by the enemy, and as little justice would there be in imputing blame for the failure to make the census, when that failure is attributable to causes not foreseen by the authors of the constitution, and beyond our control. The general intent of our constitutional charter is unquestionably that the property of the country is to be taxed in order to raise revenue for the common defence, and the special mode provided for levying this tax is impracticable from unforeseen causes. It is, in my judgment, our primary duty to execute the general intent expressed by the terms of the instrument which we have sworn to obey, and we cannot excuse ourselves for the failure to fulfill this obligation on the ground that we are unable to perform it in the precise mode pointed out. Whenever it shall be possible to execute our duty in all its parts, we must do so in exact compliance with the whole letter and spirit of the Constitution. Until that period shall arrive, we must execute so much of it, as our condition renders practicable. Whenever the withdrawal of the enemy shall place it in our power to make a census and apportionment of direct taxes, any other mode of levying them, will be contrary to the will of the law giver, and incompatible with our obligation to obey that will; until that period, the alternative left is to obey the paramount precept, and to execute it according to the only other rule provided, which is to "make the tax uniform throughout the Confederate States."

The considerations just presented are greatly enforced by the reflection that any attempt to apportion taxes amongst States, some of which are wholly or partially in the occupation of hostile forces, would subvert the whole intention of the framers of the Constitution, and be productive of the most revolting injustice, instead of that just correlation between taxation and representation which it was their purpose to secure. With large portions of some of the States occupied by the enemy, what justice would there be in imposing on the remainder the whole amount of the taxation of the entire State in proportion to its representation? What else would this be in effect than to increase the burthen of those who are the heaviest sufferers by the war, and to make our own inability to protect them from invasion, as we are required to do by the Constitution, the ground for adding to their losses by an attempted adherence to the letter, in violation of the spirit of that instrument? No such purpose could have been entertained, and no such result contemplated by the framers of the Constitution. It may add weight to these considerations if we reflect, that although the Constitution provided that it should go into operation with a representation temporarily distributed among the States, it expressly ordains, after providing for a census within three years, that this temporary distribution of representative power is to endure "until *such* enumeration shall be made." Would any one argue that, because the census cannot be made within the fixed period, the government must, at the expiration of that period, perish for want of a representative body? In any aspect in which the subject can be viewed, I am led to the con-

clusion already announced, and which is understood to be in accordance with a vote taken in one or both Houses at your last session. I shall, therefore, until we are able to pursue the precise mode required by the Constitution, deem it my duty to approve any law levying the taxation which you are bound to impose for the defence of the country, in any other practicable mode which shall distribute the burthen uniformly and impartially on the whole property of the people.

In your former legislation you have sought to avoid the increase in the volume of notes in circulation, by offering inducements to voluntary funding. The measures adopted for that purpose have been but partially successful, and the evil has now reached such a magnitude as to permit no other remedy than the compulsory reduction of the currency to the amount required by the business of the country. This reduction should be accompanied by a pledge that under no stress of circumstances will that amount be exceeded. No possible mode of using the credit of the government can be so disastrous as one which disturbs the basis of all exchanges, renders impossible all calculations of future values, augments, in constantly increasing proportions, the price of all commodities, and so depreciates all fixed wages, salaries, and incomes, as to render them inadequate to bare subsistence. If to these be added the still more fatal influence on the morals and character of the people, to which I have already adverted, I am persuaded you will concur in the conclusion that an inflexible adherence to a limitation of the currency at a fixed sum is an indispensable element of any system of finance now to be adopted.

The holders of the currency now outstanding can only be protected in the recovery of their just claims by substituting for their notes some other security. If the currency is not greatly and promptly reduced, the present scale of inflated prices will not only continue to exist, but by the very fact of the large amounts thus made requisite in the conduct of the war, those prices will reach rates still more extravagant, and the whole system will fall under its own weight, thus rendering the redemption of the debt impossible, and destroying its whole value in the hands of the holder. If, on the contrary, a funded debt, with interest secured by adequate taxation can be substituted for the outstanding currency, its entire amount will be made available to the holder, and the government will be in a condition enabling it, beyond the reach of any probable contingency, to prosecute the war to a successful issue. It is, therefore, demanded, as well by the interest of the creditor as of the country at large, that the evidences of the public debt now outstanding in the shape of treasury notes, be converted into bonds bearing adequate interest, with a provision for taxation sufficient to ensure punctual payment, and final redemption of the whole debt.

The report of the Secretary of the Treasury presents the outlines of a system which, in conjunction with existing legislation, is intended to secure the several objects of a reduction of the circulation within fixed, reasonable limits; of providing for the future wants of the government; of furnishing security for the punctual payment of interest

and final extinction of the principal of the public debt; and of placing the whole business of the country on a basis as near a specie standard as is possible during the continuance of the war. I earnestly recommend it to your consideration, and that no delay be permitted to intervene before your action on this vital subject. I trust that it will be suffered to engross your attention until you shall have disposed of it in the manner best adapted to attain the important results which your country anticipates from your legislation.

It may be added that, in considering this subject, the people ought steadily to keep in view that the government, in contracting debt, is but their agent; that its debt is their debt. As the currency is held exclusively by ourselves, it is obvious that, if each person held treasury notes in exact proportion to the value of his whole means, each would in fact owe himself the amount of the notes held by him, and, were it possible to distribute the currency among the people in this exact proportion, a tax levied on the currency alone, to an amount sufficient to reduce it to proper limits, would afford the best of all remedies. Under such circumstances, the notes remaining in the hands of each holder, after the payment of his tax, would be worth quite as much as the whole sum previously held, for it would purchase at least an equal amount of commodities. This result cannot be perfectly attained by any device of legislation, but it can be approximated by taxation. A tax on all values has for its effect, not only to impose a due share of the burthen on the note holder, but to force those who have few or none of the notes, to part with a share of their possessions to those who hold the notes in excess, in order to obtain the means of satisfying the demands of the tax gatherer. This is the only mode by which it is practicable to make all contribute as equally as possible in the burthen which all are bound to share, and it is for this reason that taxation adequate to the public exigencies, under our present circumstances, must be the basis of any funding system or other remedy for restoring stability to our finances.

THE ARMY.

To the report of the Secretary of War you are referred for details relative to the condition of the army, and the measures of legislation required for maintaining its efficiency, recruiting its numbers, and furnishing the supplies necessary for its support.

Though we have lost many of the best of our soldiers and most patriotic of our citizens, (the sad but unavoidable result of the battles and toils of such a campaign as that which will render the year 1863 ever memorable in our annals,) the army is believed to be in all respects in better condition than at any previous period of the war. Our gallant defenders, now veterans, familiar with danger, hardened by exposure, and confident in themselves and their officers, endure privations with cheerful fortitude and welcome battle with alacrity. The officers, by experience in field service and the action of examining boards in relieving the incompetent, are now greatly more efficient

than at the commencement of the war. The assertion is believed to be fully justified, that, regarded as a whole, for character, valor, efficiency, and patriotic devotion, our army has not been equalled by any like number of troops in the history of war.

In view of the large conscription recently ordered by the enemy, and their subsequent call for volunteers to be followed, if ineffectual, by a still further draft, we are admonished that no effort must be spared to add largely to our effective force as promptly as possible. The sources of supply are to be found by restoring to the army all who are improperly absent, putting an end to substitution, modifying the exemption law, restricting details, and placing in the ranks such of the able-bodied men now employed as wagoners, nurses, cooks, and other employees, as are doing service for which the negroes may be found competent.

The act of 16th April, 1862, provides "that persons not liable for duty may be received as substitutes for those who are, under such regulations as may be prescribed by the Secretary of War." The policy of granting this privilege has not been sustained by experience. Not only has the numerical strength of the army been seriously impaired by the frequent desertions for which substitutes have become notorious, but dissatisfaction has been excited among those who have been unable or unwilling to avail themselves of the opportunity thus afforded of avoiding the military service of their country.

I fully concur in the opinion expressed by the Secretary, that there is no ground for the objection that a new provision, to include those who furnished substitutes under the former call, would be a breach of contract. To accept a substitute was to confer a privilege, not to enter into a contract, and whenever the substitute is rendered liable to conscription, it would seem to follow that the principal, whose place he had taken, should respond for him, as the government had received no consideration for his exemption. Where, however, the new provision of law would fail to embrace a substitute now in the ranks, there appears, if the principal should again be conscribed, to be an equitable ground for compensation to the conscript, who then would have added to the service a soldier not otherwise liable to enrolment.

On the subject of exemptions, it is believed that abuses cannot be checked unless the system is placed on a basis entirely different from that now provided by law. The object of your legislation has been, not to confer privileges on classes, but to exonerate from military duty such number of persons skilled in the various trades, professions, and mechanical pursuits, as could render more valuable service to their country by laboring in their present occupation than by going into the ranks of the army. The policy is unquestionable, but the result would, it is thought, be better obtained by enrolling all such persons, and allowing details to be made of the number necessary to meet the wants of the country. Considerable numbers are believed to be now exempted from the military service who are not needful to the public in their civil vocation.

Certain duties are now performed throughout the country by details

from the army, which could be as well executed by persons above the present conscript age. An extension of the limit, so as to embrace persons over forty-five years, and physically fit, for service in guarding posts, railroads and bridges, in apprehending deserters, and, where practicable, assuming the place of younger men detailed for duty with the nitre, ordnance, commissary and quartermasters bureaus of the war department, would, it is hoped, add largely to the effective force in the field, without an undue burthen on the population.

If to the above measures be added a law to enlarge the policy of the act of the 21st April 1862, so as to enable the department to replace not only enlisted cooks, but wagoners, and other employees in the army, by negroes, it is hoped that the ranks of the army will be so strengthened, for the ensuing campaign, as to put at defiance the utmost efforts of the enemy.

In order to maintain, unimpaired, the existing organization of the army until the close of the war, your legislation contemplated a frequent supply of recruits, and it was expected that before the expiration of the three years for which the men were enrolled under act of 16th April, 1862, the majority of men in each company would consist of those who joined it at different dates subsequent to the original muster of the company into service, and that the discharge of those who had completed their term would at no time be sufficient to leave the company with a less number than is required to enable it to retain its organization. The difficulty of obtaining recruits from certain localities, and the large number of exemptions from military service granted by different laws, have prevented sufficient accessions in many of the companies to preserve their organizations after the discharge of the original members. The advantage of retaining tried and well approved officers and of mingling recruits with experienced soldiers, is so obvious and the policy of such a course is so clearly indicated that it is not deemed necessary to point out the evil consequences which would result from the destruction of the old organizations, or to dwell upon the benefits to be secured from filling up the veteran companies as long before the discharge of the earlier members as may be possible. In the cases where it may be found impracticable to maintain regiments in sufficient strength to justify the retention of the present organization, economy and efficiency would be promoted by consolidation and re-organization. This would involve the necessity of disbanding a part of the officers, and making regulations for securing the most judicious selection of those who are retained, while least wounding the feelings of those who are discharged.

Experience has shown the necessity for further legislation in relation to the horses of the cavalry. Many men lose their horses by casualties of service which are not included in the provisions made to compensate the owner for the loss, and it may thus not unfrequently happen that the most efficient troopers without fault of their own, indeed, it may be because of their zeal and activity, are lost to the cavalry service.

It would also seem proper that the government should have com-

plete control over every horse mustered into service, with the limitation that the owner should not be deprived of his horse except upon due compensation being made therefor. Otherwise, mounted men may not keep horses fit for the service; and the question whether they should serve mounted or on foot would depend, not upon the qualifications of the men, but upon the fact of their having horses.

Some provision is deemed requisite to correct the evils arising from the long continued absence of commissioned officers. Where it is without sufficient cause, it would seem but just that the commission should be thereby vacated. Where it results from capture by the enemy, which, under their barbarous refusal to exchange prisoners of war, may be regarded as absence for an indefinite time, there is a necessity to supply their places in their respective commands. This might be done by temporary appointments to endure only until the return of the officers regularly commissioned. Where it results from permanent disability incurred in the line of their duty, it would be proper to retire them and fill the vacancies according to established mode. I would also suggest the organization of an invalid corps, and that the retired officers be transferred to it. Such a corps, it is thought, could be made useful in various employments, for which efficient officers and troops are now detached.

An organization of the general staff of the army would be highly conducive to the efficiency of that most important branch of the service. The plan adopted for the military establishment furnishes a model for the staff of the provisional army if it be deemed advisable to retain the distinction, but I recommend to your consideration the propriety of abolishing it, and providing for the organization of the several staff corps in such number and with such rank as will meet all the wants of the service. To secure the requisite ability for the more important positions it will be necessary to provide for officers of higher rank than is now authorized for these corps. To give to the officers the proper relation and co-intelligence in their respective corps, and to preserve in the chief of each useful influence and control over his subordinates there should be no gradation on the basis of the rank of the general with whom they might be serving by appointment. To the personal staff of a general it would seem proper to give a grade corresponding with his rank, and the number might be fixed to correspond with his command. To avoid the consequence of discharge upon a change of duty, the variable portion of the personal staff might be taken from the line of the army and allowed to retain their line commissions.

The disordered condition of the currency to which I have already alluded, has imposed on the Government a system of supplying the wants of the army, which is so unequal in its operation, vexatious to the producer, injurious to the industrial interest, and productive of such discontent among the people as only to be justified by the existence of an absolute necessity. The report of the Secretary on this point, establishes conclusively, that the necessity which has forced the bureaux of supply, to provide for the army by impressment, has

resulted from the impossibility of purchase by contract or in the open market, except at such rapidly increased rates as would have rendered the appropriations inadequate to the wants of the army. Indeed, it is believed that the temptation to hoard supplies for the higher prices which could be anticipated with certainty, has been checked mainly by the fear of the operation of the impressment law; and that commodities have been offered in the markets, principally to escape impressment, and obtain higher rates than those fixed by appraisement. The complaints against this vicious system have been well founded, but the true cause of the evil has been misapprehended. The remedy is to be found, not in a change of the impressment law, but in the restoration of the currency to such a basis, as will enable the department to purchase necessary supplies in the open market, and thus render impressment a rare and exceptional process.

The same remedy will effect the result universally desired, of an augmentation of the pay of the army. The proposals made at your previous sessions, to increase the pay of the soldier by an additional amount of Treasury notes, would have conferred little benefit on him, but a radical reform of the currency will restore the pay to a value approximating that which it originally had, and materially improve his condition.

The reports from the ordnance and mining bureaux are very gratifying, and the extension of our means of supply of arms and munitions of war from our home resources, has been such as to ensure our ability soon to become mainly, if not entirely independent of supplies from foreign countries. The establishments for the casting of guns and projectiles, for the manufacture of small arms and of gunpowder, for the supply of nitre from artificial nitre beds, and mining operations generally, have been so distributed through the country, as to place our resources beyond the reach of partial disasters.

The recommendations of the Secretary of War on other points, are minutely detailed in his report, which is submitted to you, and extending, as they do, to almost every branch of the service, merit careful consideration.

EXCHANGE OF PRISONERS.

I regret to inform you that the enemy have returned to the barbarous policy with which they inaugurated the war, and that the exchange of prisoners has been for some time suspended. The correspondence of the Commissioners of Exchange is submitted to you by the Secretary of War, and it has already been published for the information of all now suffering useless imprisonment. The conduct of the authorities of the United States has been consistently perfidious on this subject. An agreement for exchange in the incipency of the war had just been concluded when the fall of Fort Donelson reversed the previous state of things, and gave them an excess of prisoners. The agreement was immediately repudiated by them, and so remained till the fortune of war again placed us in possession of the larger num-

ber. A new cartel was then made, and under it, for many months, we restored to them many thousands of prisoners in excess of those whom they held for exchange, and encampments of the surplus paroled prisoners delivered up by us, were established in the United States, where the men were able to receive the comforts and solace of constant communication with their homes and families. In July last the fortune of war again favored the enemy, and they were enabled to exchange for duty the men previously delivered to them, against those captured and paroled at Vicksburg and Port Hudson. The prisoners taken at Gettysburg, however, remained in their hands, and should have been at once returned to our lines on parole, to await exchange. Instead of executing a duty imposed by the plainest dictates of justice and good faith, pretexts were instantly sought for holding them in permanent captivity. General orders rapidly succeeded each other from the bureaux at Washington, placing new constructions on an agreement which had given rise to no dispute while we retained the advantage in the number of prisoners. With a disregard of honorable obligations, almost unexampled, the enemy did not hesitate, in addition to retaining the prisoners captured by them, to declare null the paroles given by the prisoners captured by us in the same series of engagements, and liberated on condition of not again serving until exchanged. They have since openly insisted on treating the paroles given by their own soldiers as invalid, and those of our soldiers, given under precisely similar circumstances, as binding. A succession of similar unjust pretensions has been set up in a correspondence tediously prolonged, and every device employed, to cover the disregard of an obligation which, between belligerent nations, is only to be enforced by a sense of honor.

No farther comment is needed on this subject, but it may be permitted to direct your special attention to the close of the correspondence submitted to you, from which you will perceive that the final proposal made by the enemy, in settlement of all disputes under the cartel, is, that we should liberate all prisoners held by us, without the offer to release from captivity any of these held by them.

In the meantime a systematic and concerted effort has been made to quiet the complaints in the United States of those relatives and friends of the prisoners in our hands who are unable to understand why the cartel is not executed in their favor, by the groundless assertion that we are the parties who refuse compliance. Attempts are also made to shield themselves from the execration excited by their own odious treatment of our officers and soldiers now captive in their hands, by mis-statements, such as that the prisoners held by us are deprived of food. To this last accusation the conclusive answer has been made, that, in accordance with our law and the general orders of the department, the rations of the prisoners are precisely the same, in quantity and quality, as those served out to our own gallant soldiers in the field, and which have been found sufficient to support them in their arduous campaign, while it is not pretended by the enemy that they treat prisoners by the same generous rule. By an indulgence,

perhaps unprecedented, we have even allowed the prisoners in our hands to be supplied by their friends at home with comforts not enjoyed by the men who captured them in battle. In contrast to this treatment, the most revolting inhumanity has characterized the conduct of the United States towards prisoners held by them. One prominent fact, which admits no denial nor palliation, must suffice as a test. The officers of our army, natives of southern and semi-tropical climates, and unprepared for the cold of a northern winter, have been conveyed for imprisonment, during the rigors of the present season, to the most northern and exposed situation that could be selected by the enemy. There, beyond the reach of comforts, and often even of news from home and family, exposed to the piercing cold of the northern lakes, they are held by men who cannot be ignorant of, even if they do not design, the probable result. How many of our unfortunate friends and comrades, who have passed unscathed through numerous battles, will perish on Johnson's Island, under the cruel trial to which they are subjected, none but the Omniscient can foretell. That they will endure this barbarous treatment with the same stern fortitude that they have ever evinced in their country's service, we cannot doubt. But who can be found to believe the assertion that it is our refusal to execute the cartel, and not the malignity of the foe, which has caused the infliction of such intolerable cruelty on our own loved and honored defenders?

TRANS-MISSISSIPPI DEPARTMENT.

Regular and punctual communication with the Trans-Mississippi is so obstructed as to render difficult a compliance with much of the legislation vesting authority in the executive branch of the government. To supply vacancies in office; to exercise discretion on certain matters connected with the military organizations; to control the distribution of the funds collected from taxation or remitted from the Treasury; to carry on the operations of the Post Office Department, and other like duties, require, under the constitution and existing laws, the action of the President and heads of departments. The necessities of the military service frequently forbid delay, and some legislation is required, providing for the exercise of temporary authority, until regular action can be had at the seat of government. I would suggest, especially in the Post Office Department, that an assistant be provided for the states beyond the Mississippi, with authority in the head of that department to vest in this assistant all such powers now exercised by the Postmaster General, as may be requisite for provisional control of the funds of the department in those States, and their application to the payment of mail contractors; for superintendence of the local post offices, and the contracts for carrying the mail; for the temporary employment of proper persons to fulfil the duties of postmasters and contractors in urgent cases, until appointments can be made, and for other like purposes. Without some legislative provision on the subject, there is serious risk of the

destruction of the mail service, by reason of the delays and hardships suffered by contractors under the present system, which requires constant reference to Richmond of their accounts, as well as of the returns of the local postmasters, before they can receive payment for services rendered. Like provision is also necessary in the Treasury Department; while, for military affairs, it would seem to be sufficient to authorise the President and Secretary of War to delegate to the commanding general so much of the discretionary powers vested in them by law, as the exigencies of the service shall require.

NAVY.

The report of the Secretary of the Navy gives in detail the operations of that Department since January last, embracing information of the disposition and employment of the vessels, officers and men, and the construction of vessels at Richmond, Wilmington, Charleston, Savannah, Mobile, Selma, and on the rivers Roanoke, Neuse, Pedee, Chattahoochee and Tombigbee; the accumulation of ship timber and supplies, and the manufacture of ordnance, ordnance stores and equipments. The foundries and workshops have been greatly improved and their capacity to supply all demands for heavy ordnance for coast and harbor defences is only limited by our deficiency in the requisite skilled labor. The want of such labor and of seamen seriously affects the operations of the Department.

The skill, courage and activity of our cruisers at sea cannot be too highly commended. They have inflicted heavy losses on the enemy, without suffering a single disaster, and have seriously damaged the shipping interests of the United States, by compelling their foreign commerce to seek the protection of neutral flags.

Your attention is invited to the suggestions of the report on the subjects of supplying seamen for the service, and of the provisions of the law in relation to the volunteer navy.

POST OFFICE.

The Postmaster General reports the receipts of that Department for the fiscal year ending the 30th June last, to have been \$3,337,853.01, and the expenditures for the same period \$2,662,804.67. The statement thus exhibits an excess of receipts amounting to \$675,048.44, instead of a deficiency of more than a million of dollars, as was the case in the preceding fiscal year. It is gratifying to perceive that the Department has thus been made self-sustaining in accordance with sound principle, and with the express requirement of the Constitution that its expenses should be paid out of its own revenues after the 1st March, 1863.

The report gives a full and satisfactory account of the operations of the Post Office Department for the last year, and explains the measures adopted for giving more certainty and regularity to the service in the States beyond the Mississippi, and on which reliance is placed for obviating the difficulties heretofore encountered in that service.

The settlement of the accounts of the Department is greatly delayed by reason of the inability of the First Auditor to perform all the duties now imposed on him by law. The accounts of the Departments of State, of the Treasury, of the Navy, and of Justice, are all supervised by that officer, and more than suffice to occupy his whole time. The necessity for a Third Auditor to examine and settle the accounts of a Department so extensive as that of the Post Office appears urgent, and his recommendation on that subject meets my concurrence.

CONDUCT OF ENEMY.

I cannot close this message without again adverting to the savage ferocity which still marks the conduct of the enemy in the prosecution of the war. After their repulse from the defences before Charleston, they first sought revenge by an abortive attempt to destroy the city with an incendiary composition, thrown by improved artillery, from a distance of four miles. Failing in this, they changed their missiles but fortunately have thus far succeeded only in killing two women in the city. Their commanders, Butler, McNeil and Turchin, whose horrible barbarities have made their names widely notorious, and everywhere execrable, are still honored and cherished by the authorities at Washington. The first named, after having been withdrawn from the scenes of his cruelties against women and prisoners of war, (in reluctant concession to the demands of outraged humanity in Europe,) has just been put in a new command at Norfolk, where helpless women and children are again placed at his mercy.

Nor has less unrelenting warfare been waged by these pretended friends of human rights and liberties against the unfortunate negroes. Wherever the enemy have been able to gain access they have forced into the ranks of their army every able-bodied man that they could seize; and have either left the aged, the women and the children to perish by starvation, or have gathered them into camps where they have been wasted by a frightful mortality. Without clothing or shelter, often without food, incapable, without supervision, of taking the most ordinary precautions against disease, these helpless dependants, accustomed to have their wants supplied by the foresight of their masters, are being rapidly exterminated, wherever brought in contact with the invaders. By the northern man, on whose deep-rooted prejudices no kindly restraining influence is exercised, they are treated with aversion and neglect. There is little hazard in predicting that, in all localities where the enemy have gained a temporary foothold, the negroes, who under our care increased six fold in number since their importation into the colonies by Great Britain, will have been reduced by mortality during the war to not more than one half their previous number.

Information on this subject is derived not only from our own observation and from the reports of the negroes who succeed in escaping from the enemy, but full confirmation is afforded by statements pub-

lished in the northern journals by humane persons engaged in making appeals to the charitable for aid in preventing the ravages of disease exposure and starvation among the negro women and children who are crowded into encampments.

The frontier of our country bears witness to the alacrity and efficiency with which the general orders of the enemy have been executed in the devastation of the farms, the destruction of the agricultural implements, the burning of the houses, and the plunder of everything moveable. Its whole aspect is a comment on the ethics of the general order issued by the United States on the 24th April, 1863, comprising "instructions for the government of armies of the United States in the field," and of which the following is an example :

"Military necessity admits of all direct destruction of life or limb of *armed* enemies, and of other persons whose destruction is incidentally *unavoidable* in the armed contests of the war: it allows of the capturing of every armed enemy and of every enemy of importance to the hostile government or of peculiar danger to the captor; it allows of all destruction of property and obstructions of the ways and channels of traffic, travel or communication, and of all withholding of sustenance or means of life from the enemy; of the appropriation of whatever an enemy's country affords necessary for the subsistence and safety of the army; and of such deception as does not involve the breaking of good faith, either positively pledged regarding agreements entered into during the war, or supposed by the modern law of war to exist. Men who take up arms against one another in public war, do not cease on this account to be moral beings, responsible to one another and to God."

The striking contrast to these teachings and practices presented by our army when invading Pennsylvania illustrates the moral character of our people. Though their forbearance may have been unmerited and unappreciated by the enemy, it was imposed by their own self-respect which forbade their degenerating from Christian warriors into plundering ruffians, assailing the property, lives and honor of helpless non-combatants. If their conduct, when thus contrasted with the inhuman practices of our foe, fail to command the respect and sympathy of civilized nations in our day, it cannot fail to be recognized by their less deceived posterity.

The hope last year entertained of an early termination of the war has not been realized. Could carnage have satisfied the appetite of our enemy for the destruction of human life, or grief have appeased their wanton desire to inflict human suffering, there has been bloodshed enough on both sides, and two lands have been sufficiently darkened by the weeds of mourning to induce a disposition for peace.

If unanimity in a people could dispel delusion, it has been displayed too unmistakably not to have silenced the pretence that the Southern States were merely disturbed by a factious insurrection, and it must long since have been admitted that they were but exercising their reserved right to modify their own government in such manner as would best secure their own happiness. But these considerations

have been powerless to allay the unchristian hate of those, who, long accustomed to draw large profits from a union with us, cannot control the rage excited by the conviction that they have by their own folly destroyed the richest sources of their prosperity. They refuse even to listen to proposals for the only peace possible between us—a peace which recognizing the impassable gulf which divides us may leave the two peoples separately to recover from the injuries inflicted on both by the causeless war now waged against us. Having begun the war in direct violation of their Constitution, which forbade the attempt to coerce a State, they have been hardened by crime until they no longer attempt to veil their purpose to destroy the institutions and subvert the sovereignty and independence of these States. We now know that the only reliable hope for peace is in the vigor of our resistance, as the cessation of their hostility is only to be expected from the pressure of their necessities.

The patriotism of the people has proved equal to every sacrifice demanded by their country's need. We have been united as a people never were united under like circumstances before. God has blessed us with success disproportionate to our means, and, under His divine favor, our labors must at last be crowned with the reward due to men who have given all they possessed to the righteous defence of their inalienable rights, their homes, and their altars.

JEFFERSON DAVIS.

RICHMOND, December 7, 1863.

